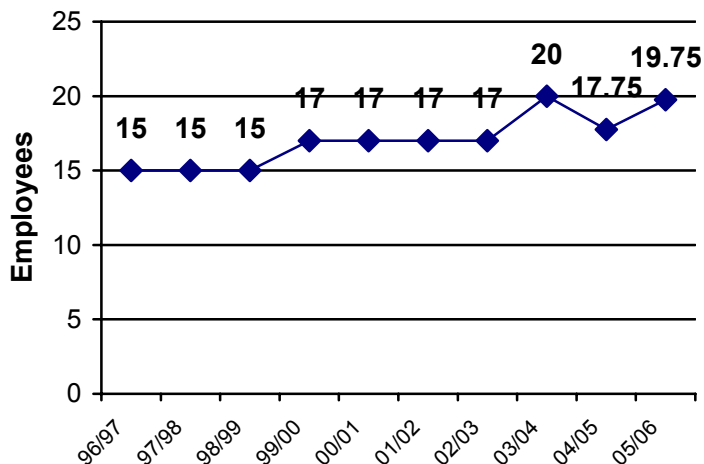


MISSION STATEMENT

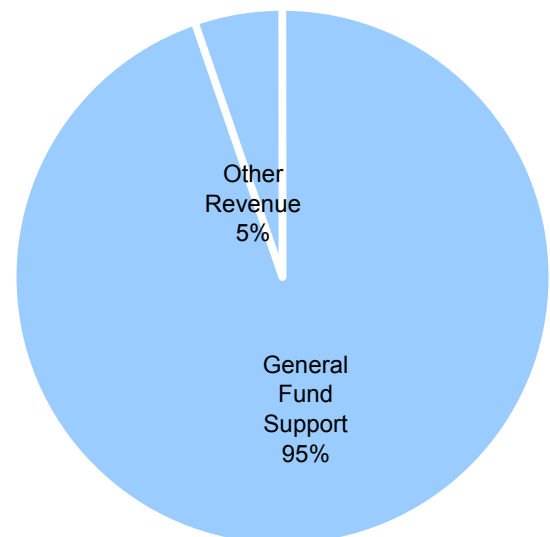
Partnering to fulfill County human resource needs to support excellence in public service and sustain a well-governed community.

<u>Financial Summary</u>	<u>2003-04 Actual</u>	<u>2004-05 Actual</u>	<u>2005-06 Requested</u>	<u>2005-06 Recommended</u>	<u>2005-06 Adopted</u>
Revenues	\$ 207,597	\$ 282,336	\$ 108,301	\$ 108,301	\$ 108,301
Salary and Benefits	1,767,363	1,740,514	1,752,375	1,749,375	1,749,375
Services and Supplies	270,059	242,952	294,114	283,075	283,075
Fixed Assets	0	0	0	0	0
**Gross Expenditures	\$ 2,037,422	\$ 1,983,466	\$ 2,046,489	\$ 2,032,450	\$ 2,032,450
Less Intrafund Transfers	0	0	350	350	350
**Net Expenditures	\$ 2,037,422	\$ 1,983,466	\$ 2,046,139	\$ 2,032,100	\$ 2,032,100
 General Fund Support (G.F.S.)	 <u>\$ 1,829,825</u>	 <u>\$ 1,701,130</u>	 <u>\$ 1,937,838</u>	 <u>\$ 1,923,799</u>	 <u>\$ 1,923,799</u>

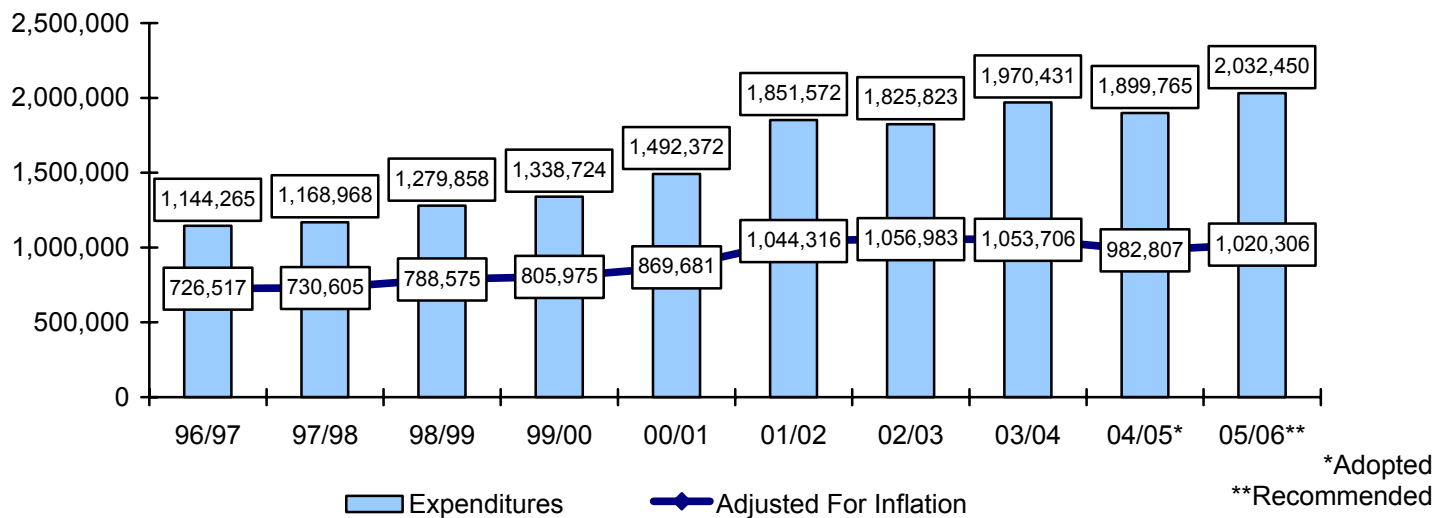
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Staffing and Employment Services

Recruit and test new hires and candidates for promotion to fill all positions with the County. Maintain eligibility and certification lists and test validation. Coordinate the process for appeals and grievances on recruitment-related complaints.

Process personnel-related information and documentation (payroll action forms, employee additions/deletions, step increases, etc.) to maintain the accuracy of payroll records.

Maintain the Classification Plan by job analyses, implement classification studies/audits requested by County departments or as approved through the budget process. Update job specifications to ensure accuracy and relevancy. Respond to salary related appeals and grievances.

Total Expenditures: \$1,410,495 Total FTE: 12

Human Resources Consulting Services/Departmental Services

Consult with department managers and supervisors to utilize effective supervisory techniques, implement disciplinary actions, and coordinate appeals and grievances, consistent with Federal and State employment laws and Civil Service Rules. Interpret and apply personnel-related Board ordinances, rules, regulations, and policies.

Support the Civil Service Commission and administer and maintain the countywide merit systems and Equal Opportunity Programs. Prepare staff reports, policy recommendations and rule change proposals. Conduct required pre-hearing meetings in accordance with the Civil Service Commission procedural guidelines. Provide recording secretary clerical support.

Total Expenditures: \$480,745 Total FTE: 4

Staff Development/Countywide Training

Provide leadership and oversight to the Employee University; development and delivery of Human Resources specific trainings including harassment prevention, new employee orientation and High Performance Management; management of the tuition reimbursement program.

Total Expenditures: \$141,210 Total FTE: 1.75

DEPARTMENT COMMENTS

The Personnel Department is responsible for delivering contemporary human resource programs serving 26 departments, two independent governmental agencies, a workforce of approximately 3,066 full, part-time, permanent, temporary and contract employees and the general public. As we approach the 3rd year of implementing Personnel's strategic plan, the action initiatives will be pared down and priorities streamlined so that the document guides Personnel's future in the context of available resources.

This fiscal year will be predominately focused upon completing and improving upon the action initiatives started over the last two years, with a clear focus on customer departments and their priority needs. The recommended budget will maintain core program service levels, continuous improvement and provides for full support of JobAps (new automation for recruitment, testing and certification) and the Employee University (EU). Performance measures for the EU are included in Fund Center 275. Tuition reimbursement is funded based on the historical use level.

Personnel staff are in a critical 12–18 month period of challenge as we concurrently maintain existing systems and workload, train in JobAps and the Enterprise Financial System HR-Payroll, test the new programs and transition to full implementation of the new automaton. Ultimately, these efforts will significantly improve service (quality, transparency and timeliness) and improve the ability to measure and track results and potentially enhance productivity. These initiatives have far-reaching benefits for job applicants, employees, and operating department managers in terms of staffing county programs, keeping employees trained, and delivering timely services to our tax paying customers.

A note of caution is necessary since we may find that automation will realign or create additional workload for Personnel staff. Training and maintenance of the HR-Payroll Module may also require additional staffing, unless other process improvements result in significant time savings for existing staff.

• Department-wide Improvements

Personnel remains in transition as the strategic plan guides us toward our goal of providing a full array of up-to-date and valued human resource services. Beyond maintaining core programs and service levels, we are immersed in improvement efforts throughout the department. Cooperative Personnel Services (CPS) recently evaluated our first full year of work progress and updated their recommendations from the original Management Audit. Three critical areas CPS identified which will be addressed in an update of the strategic plan include; *build stronger client service relationships, establish individual employee development plans, and improve performance measures*.

• In Summary

Personnel is committed to developing the organizational structure and continuous improvement philosophy required to reflect our values and vision as a team.

RECOMMENDED BUDGET AUGMENTATION REQUEST AND RELATED RESULTS

Unit Amount	Description	Results
Gross: \$9,000 General Fund Support: \$9,000	Vendor services to convert microfiche data to digital format, in order to optimize use of the SAP Human Resources module.	Improve efficiencies in data entry and managing personnel data, saving an estimated 120 hours of staff time.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended budget reflects maintenance of existing resources and provides for an increase in General Fund Support of \$157,631 (or 8%). Overall, revenues are projected to decline by almost \$25,000, due to the termination of services provided to the Courts and the wrap up of staff support to develop phase 2 of the Enterprise Financial System (i.e. the Human Resources/Payroll module). Two limited term positions were added to the department's Position Allocation List mid year to provide backfill for two staff that transferred to the EFS Phase 2 Project. Once this module is operational, the two limited term positions will be eliminated from the department's PAL.

Expenditures are recommended to increase \$132,685 (6%) primarily due to normal step increases and prevailing wage increases. Funds have been added at the request of the Civil Service Commission to provide a "report card" on the Personnel Department's progress in implementing the Strategic Plan and enhancing service delivery to, and relationships with, other departments.

BOARD ADOPTED CHANGES

None.

GOALS/PERFORMANCE MEASURES

Department Goal: Conduct, monitor, and evaluate the personnel recruitment and selection process in a timely manner in order to provide County departments with qualified candidates while ensuring compliance with regulations.

Communitywide Result Link: A well-governed community.

1. Performance Measure: Percentage of eligibility lists of qualified candidates provided to County departments within 90 calendar days of the application close date when no "pool" of candidates exists.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
84.7% * (* based on 60 calendar days)	93.5% * (* measure changed to 90 calendar days)	92.4%	91.6%	90%	97%	90%

What: When a County department submits a request to fill a current vacancy and no current list of eligible candidates exists, Personnel posts the job opening to solicit applications. After all applications are received (the application close date), it takes 90 calendar days to process the applications, conduct pre-employment testing, evaluate applicants, and compile a list of qualified candidates.

Why: This process creates a "pool" of qualified applicants who are kept on file so that any new job openings of the same type can be filled from the existing pool rather than having to start the recruitment process over each time. By maintaining a pool of eligible candidates, Personnel is able to dramatically reduce the time to fill future vacancies and to ensure effective service to County departments who are attempting to fill open positions as quickly as possible.

How are we doing? Benchmark data was only available from two of our six comparable Counties. It is notable that those counties have twice as many recruiting professionals. The County of Santa Barbara has a performance standard of 70% within 57 calendar days. Kern County reports that the "average" number of calendar days between the closing date of a recruitment and the establishment of an eligible list is 35 days. In the 03/04 fiscal year San Luis Obispo recruitments were completed on the average in 45, which includes 4 days for Personnel Technician processing. As of the fourth quarter in 04-05, recruitments have been completed on the average in 50 days, which includes 3 days for Personnel Technician processing. Even with a 5 day increase in processing time over last year, recruitments were completed within the targeted goal of 90 days. Again this year, staffing shortages and implementation of new automation while maintaining antiquated systems, contributed to the additional processing time. We will continue to track trends and refine this measure through our strategic planning process. The target for 05-06 remains at 90% recognizing that the implementation of JobAps and the human resources portion of the Enterprise Financial System could affect the exam processing time throughout the learning curve.

Department Goal: Coordinate training and provide high quality, timely consultation and assistance to department managers, supervisors and employees regarding personnel policies to promote a positive and productive work environment and minimize employee grievances.

Communitywide Result Link: A well-governed community.

2. Performance Measure: Percentage of grievances or appeals resolved by Personnel staff prior to a formal hearing before the Civil

Service Commission or Board of Supervisors.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
N/A	N/A	81%	44%	90%	70%	90%

What: Employees who believe their grievances have not been properly addressed by using established internal processes have the ability to present their petition to the Civil Service Commission or the Board of Supervisors. Employees or candidates that want to appeal a classification action, ruling or decision made by the Personnel Director or appeal the written order of an appointing authority have the ability to appeal such action, ruling, decision or order to the Civil Service Commission. All reasonable attempts will have been made to resolve the issue before reaching the hearing level.

Why: Resolve conflicts at the least formal level to minimize time, impact on morale, expense and the possibility of litigation.

How are we doing? Staff creates the forum, with the appellant or grievant and appointing authority, to generate a mutually agreeable resolution. Through consultation and negotiation the Personnel Department staff remains focused on all attempts to resolve grievances and appeals to avoid a formal hearing. In fiscal year 2004-2005, 27 grievances and appeals were filed. Nineteen (19) were dropped or resolved. In addition to a 70% success rate, this eliminated the expense to involve county employees, department personnel, County Counsel, witnesses and the Commissioners in special hearings.

The Commission emphasizes the priority to expand the knowledge and tools available to county department managers and supervisors to compose sufficient, precise and timely Performance Evaluation Ratings and Disciplinary Actions. The Employee University is coordinating these efforts to create training by developing a countywide High Performance Management training program. This component is vital to decreasing the submission of grievances and appeals and therefore, creating a more powerfully trained management staff and satisfied, productive county employee.

Department Goal: Provide cost-effective personnel services.

Communitywide Result Link: A well-governed community.

3. Performance Measure: Personnel costs per employee.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04-05 Adopted	04-05 Actual Results	05-06 Target
\$587	\$626	\$645	\$686	\$694	\$737	\$802

What: The cost per allocated employee for the operation of the San Luis Obispo County Personnel Department.

Why: By calculating the costs of recruiting, testing, hiring, and retaining employees, the County has a partial indicator of what its Personnel Program Administration costs are per employee.

How are we doing? Our increases in cost per employee have primarily been related to salary and benefits. The cost per employee is based on Personnel Department net expenditures divided by the number of Board adopted positions, including Air Pollution Control District employees. Using the net expenditures does not acknowledge costs associated with backfilling Personnel Analysts currently assigned to the EFS program. A 3% COLA was factored in the 04-05 calculation. It is noteworthy that there are several influencing factors affecting the 04/05 estimated target; such as, the number of Board adopted full time equivalent employees, unknown cost of living adjustments and an unknown funding level for the Personnel Department.